

**FY 2002 Audited Financial Statements
Material Weaknesses Remediation Status Report**

Bureau	Material Weakness Description	Corrective Action	Target Date	New Weakness or Carryover from FY 2001
DEPT	Inadequate General and Application Controls Over Financial Management Systems	Establish and implement controls and other safeguards to ensure that sensitive and critical financial data and systems are protected.	9/30/03	Carryover
DEPT	Inadequate Reconciliation of Trading Partner Data	Implement policies and procedures to ensure the timely reconciliation of trading partner data and a more streamlined and efficient year-end reporting process.	9/30/03	Carryover
DEPT	Inadequate Controls Over Property, Plant, and Equipment	Implement policies and procedures to ensure the proper accounting for and reconciliation of property, plant, and equipment.	9/30/04	Carryover
DEPT	Inadequate Controls Over Trust Funds	Implement the Department's High level Implementation Plan to achieve comprehensive Indian Trust reform, including vital improvements to systems, policies and operations necessary to ensure meeting the trust obligations to Indian tribes and individuals.	9/30/05	Carryover
DEPT	Financial Processes at the U.S. Geological Survey	Implement procedures and controls to ensure timely and accurate financial transaction recording.	9/30/04	New
DEPT	Controls Over Financial Reporting	Implement policies and procedures to improve transaction entry, reconciliations, grant monitoring, and activity-based costing.	9/30/04	Carryover
DO	Improve Controls to Reconcile Transactions and Balances with Trading Partners	Adopt procedures to reconcile and clear balances with other Interior components on a quarterly basis.	9/30/03	Carryover
DO	Inadequate Accounting Controls Over Interior Franchise Fund	Establish and implement policies and procedures to monitor service provider disbursements, update pricing schedules, improve controls over receipts and accounts receivables, and improve software change control.	9/30/03	Carryover
DO	Inadequate Controls Over Tribal and Other Special Trust Funds	Implement policies, procedures, controls and systems to effectively manage Tribal and Other Special Trust Funds, and implement the HLIP as revised and amended.	9/30/05	Carryover
DO	Improve Controls Over Property, Plant, and Equipment	Work with the Utah Reclamation Mitigation and Conservation Commission to develop controls and procedures to properly record and report property transactions.	9/30/03	New
DO	Improve Controls Over Financial Reporting	Improve controls over year-end adjustment suspense accounts and communications with the Office of the Solicitor.	9/30/03	New
FWS	Improve Controls to Reconcile Transactions and Balances with Trading Partners	Adopt procedures to reconcile and clear balances with other Interior components on a quarterly basis.	9/30/03	New
FWS	Improve Controls Over Accounting for Property	Implement policies, procedures, and controls to improve accounting for property.	9/30/03	Carryover
FWS	Improve Controls Over Year-End Accruals	Improve processes to identify and record year-end payables.	9/30/03	New
FWS	Financial Reporting Processes	Improve controls and processes associated with accounting and financial reporting.	9/30/03	Carryover
NPS	Inadequate Security and Controls Over Information Technology Systems	Develop and implement the Department IT Security Plan to provide appropriate policies, procedures, controls, and segregation of duties to effectively control and protect information technology systems.	9/30/03	Carryover
NPS	Improve Controls to Reconcile Intra-governmental Transactions and Balances	Adopt procedures to reconcile and clear balances with other Interior components on a quarterly basis.	9/30/03	New
BLM	Inadequate Controls for Accounting for Property	Implement procedures to consistently account for additions and deletions, and capitalized leases.	9/30/03	Carryover
BLM	Inadequate Controls for Accounting for Year-End Payables	Implement procedures to ensure year-end payables are completely captured and recorded.	9/30/03	New
USGS	Inadequate Security and Controls Over Information Technology Systems	Develop and implement the Department IT Security Plan to provide appropriate policies, procedures, controls, and segregation of duties to effectively control and protect information technology systems.	9/30/03	Carryover

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USGS	Inadequate Financial Management Organization Structure	Improve controls over processing field office data; delegate authority to ensure uniform administration of and compliance with accounting policies; review decentralized financial management systems and internal controls; and fill existing vacancies and provide accounting training programs.	9/30/03	Carryover
USGS	Inadequate Reconciliation of Proprietary, Budgetary, and Suspense Accounts	Conduct regular analyses and reconciliations of proprietary and budgetary accounts and routinely monitor compliance with Anti-Deficiency Act. Develop and implement procedures to ensure that the liability for suspense account is timely reconciled after month-end and implement a policy that all transactions are cleared in less than six months.	9/30/03	Carryover
USGS	Inadequate Account Analysis and Adjustments	Develop and implement procedures to ensure that all accounting adjustments are reconciled, adequately supported, timely, and independently reviewed throughout the year.	9/30/03	Carryover
USGS	Inadequate Controls Over Property, Plant, and Equipment	Implement policies and procedures to ensure the proper accounting for and reconciliation of Property, Plant, and Equipment.	9/30/03	Carryover
USGS	Inadequate Controls Over Revenue Cycle	Perform a study of the entire revenue cycle and consider redesigning or reengineering the process to achieve greater efficiency and simplicity.	9/30/03	Carryover
USGS	Inadequate Accounting for Inventory	Establish policies and procedures to account for map and hydrological inventory that will ensure full compliance with SFFAS No. 3 – Accounting for Inventory and Related Property.	9/30/03	Carryover
USGS	Working Capital Fund Compliance with Accounting Standards	Develop and implement a posting model to record fee-for-services and investment components of the working capital fund.	9/30/03	New
USGS	Inadequate Policies and Procedures	Document policies and procedures for all accounts having a material effect on the financial statements and train personnel in the application.	9/30/03	New
BOR	Inadequate Controls Over Land Inventory	Develop a complete and accurate inventory system that identifies by project all land and land rights.	9/30/05	Carryover
BIA	Inadequate Controls Over Processing Trust Transactions	Improve fiduciary controls over the processing of Trust transactions including segregation of duties, related party transactions, probate backlogs, and appraisal compacts	9/30/04	Carryover
BIA	Inadequate Security and Controls Over Information Technology Systems	Develop and implement the Department IT Security Plan to provide appropriate policies, procedures, controls, and segregation of duties to effectively control and protect information technology systems.	9/30/03	Carryover
BIA	Inadequate Controls Over Financial Reporting	Recruit a Chief Accountant, implement a redesigned organizational structure, and implement a routine financial reconciliation process.	9/30/03	Carryover
BIA	Legal Liabilities	Develop a communication and tracking plan with the Solicitor to provide complete, accurate, and timely contingent liability data for financial reporting.	9/30/03	New
OST	Reliance on Processing of Trust Transactions in the Bureau of Indian Affairs	Work collaboratively with Departmental offices to monitor progress and ensure timely completion of trust reform subprojects.	9/30/03	Carryover
OST	Resolution of Financial Reporting Issues from Prior Periods	Continue to develop issue papers and action plans to address and resolve prior period issues.	9/30/03	Carryover